

DEPARTMENT OF STATE

FOR THE PRESS

OCTOBER 15, 1947  
No. 824

**CONFIDENTIAL**  
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**NOTE DATE**

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IN ANY WAY BEFORE 6:15 p.m., E.S.T., WEDNESDAY, OCTOBER 15, 1947

REPORT ON GREECE

Address by  
Mr. George C. McGhee  
Coordinator for Aid to Greece and Turkey  
Broadcast over network  
Columbia Broadcasting System  
October 15, 1947, 6:15 p.m.

In response to an urgent appeal by the Greek government, Congress authorized in May of this year the Greek and Turkish Aid Program, under which \$300,000,000 was allocated to Greece. President Truman, in his message to Congress on the Aid Act, stated that if aid were not extended Greece could not survive as a free nation but would be forced into the communist orbit by a communist minority supplied from abroad. By an overwhelming majority Congress determined that it was in our National interest to aid this freedom-loving Nation, our gallant ally in the last War, in restoring her war-devastated economy and in providing military supplies needed to establish internal order. An American Mission for Aid to Greece, under the leadership of former Nebraska Governor Dwight P. Griswold, was sent to Greece to administer the program.

In the meantime Americans have been asking many questions about the Greek Aid Program: "Was the United States justified in assuming this grave responsibility toward Greece?" "Can Greece really be saved?" "What sort of a job is the American Mission doing?" "What can the Mission hope to accomplish with the funds provided?"

I have just returned from a 3-weeks' visit to Greece. I spent a great deal of time with Governor Griswold and his staff and with the American Ambassador, Mr. MacVeagh. I talked with Greek political leaders and with members of the Greek government. I met with the Greek Prime Minister, Mr. Sophoulis, who has despite his advanced age returned to political life to lead his people under the new coalition government. I talked with businessmen in Athens, with farmers and villagers in the Peloponnesus and Crete and with refugees in the guerrilla area north of Salonika.



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I would like to report on the situation in Greece as I saw it-- to give an accounting of how your Government is carrying out the mandate of the American people to aid Greece.

First of all the American Mission in Greece is a good mission. Its members are representative Americans who were carefully chosen on the basis of outstanding ability in administration or in the specialized fields for which the Mission is responsible. They were selected from some 6,000 applicants and on the basis of questionnaires sent to 1,000 men who had made outstanding contributions in previous public service. In most cases members of the Mission are serving at personal sacrifice as the result of a strong patriotic appeal.

The Director of the Agriculture Division was drafted from his position as business manager at Texas A & M College. The Director of the Commerce and Supply Division left a key position in a New York food concern, following an outstanding Government career which included service as a top official in the War Production Board. The Mission Highway Engineer was formerly Commissioner of Highways in West Virginia, a state which is considered to have about the same type of country as Greece. The Head of the Industry Division was formerly President of the Sperry Gyroscope Company. Other top officials of the Mission are men of similar caliber.

I found at Mission headquarters a spirit of enthusiasm and team-play. The Mission staff believe in their Mission. They are not the dollar imperialists the Moscow press would have the world believe. They come as friends to a country they genuinely want to help, and whose sovereignty and dignity they respect--as they respect the greatness of her past.

But you may say, "What has the Mission done to save Greece?"

First of all there is the purely statistical record. Seventeen shiploads of United States military supplies and equipment have been delivered to the Greek Army. Greek troops are now fighting with our ammunition and subsisting on our supplies. In addition, 135,000 tons of wheat and flour have arrived in Greece and 7,800 tons of milk for the Greek children. Other necessary Greek imports, such as petroleum, coal, automotive spare parts and fertilizers have been financed with Aid funds.

But the accomplishments of the Mission cannot be measured entirely in terms of goods delivered. Since it began operations in July the

Mission has been quietly laying the groundwork for cooperation with the Greek Government to assure that American aid is effectively utilized for the purposes intended, and that the Greeks themselves make the maximum contribution from their own resources in the recovery effort.

On some matters the Mission gives technical advice to the Greek Government. Where the use of American resources is involved, the Mission has agreements with the Greek Government which permit control over the operations. Where joint resources of the two countries are involved, cooperative agreements have been negotiated which define



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the obligations and responsibilities of both countries. An example is the Public Roads Administration where an American engineer administers the construction and maintenance of Greek roads.

A start has been made in the reconstruction of Greek transportation facilities damaged or destroyed by the War, and which are acting as a bottleneck to all Greek recovery. American contractors, with typical American initiative and energy, have organized Greek engineers and laborers. Jobs have been offered to guerrillas who accept the government's amnesty. They have brought in American equipment and materials as required, while at the same time endeavoring to make maximum use of local Greek materials. Work has been started on the Salonika-Athens highway. Workmen are busy repairing the damaged docks at Piraeus and are clearing the vital Corinth Canal. All this reconstruction activity is a visible and even dramatic evidence to the Greek people of the sincere desire of the United States to aid the Greek nation.

For the first time since the termination of war Greece has a sound and complete economic program, designed to start her on the road toward self-support. In his address last Monday night in Athens, Prime Minister Sophoulis announced a program developed in cooperation with the American Mission. The Prime Minister calls for sacrifice and privation from the Greek people in achieving their own recovery. He announced a new foreign exchange plan designed to overcome the handicaps to Greek export trade of an over-valued currency and to sell their tobacco, olive oil, currants and other products on the world market. He also announced the creation of a Foreign Trade Administration headed by an American employee of the Greek government. This Administration will have authority to grant all import licenses. It will eliminate luxury imports and will promote Greek export trade. The Prime Minister called also for balancing the Greek budget, which can be accomplished only by abolishing non-essential Government services and effecting economies in public administration.

In other areas vital to the recovery of Greece the Mission has made real if not spectacular progress. Agriculture provides a

livelihood for 60 percent of the people in Greece. Orders have been placed for seeds, fertilizers, and pesticides; canning plants imported by UNRRA have been put into operation; spare parts have been ordered for tractors and other farm equipment; a well-drilling program has been started to increase ground water necessary to expand productive land areas.

Mission experts in government administration are working directly with a liaison team of Greek officials to assist them in effecting a general reorganization of the Greek government. This is designed to increase administrative efficiency, to improve civil service procedures and to make overall savings in the Greek budget. The Greek government is reducing its civil service employees by 15,000 before December 15.



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In the field of Public Health, the Mission has taken steps to procure vaccines and sanitary facilities for the 200,000 refugees in the north of Greece who have been made homeless by guerrilla activity. It is assisting the Greek government in a reorganization of its health services. It is financing an effective anti-malaria program conducted by the Greek School of Hygiene, which has reduced malaria cases from 2,000,000 to 50,000 a year.

In the field of labor, the Mission is aiding the Greek government in the development of a sound wage and salary structure designed to promote industrial efficiency and an equitable relationship between income and prices. The Mission has begun to train Greek workers in the skills required for the reconstruction program and in other practical fields which will assist in Greek recovery.

I would not, however, have you think that the path to recovery in Greece will be easy nor that Greek independence of foreign aid is yet in sight. The purchasing power of the Aid Funds has been lowered by increased world prices. This year's wheat crop in Greece is only two-thirds normal. A considerable portion of the Aid Funds earmarked for reconstruction has by necessity been diverted to military expenditures. Guerrilla activity has not been decreased by the liberal offer of amnesty by the Greek government. The balancing of the Greek budget has not as yet been accomplished.

One can, however, say that all of the necessary elements for recovery are now present, and can begin to be operative once internal order is established in Greece. In the restoration of internal order we are relying heavily on the creation by the General Assembly of the United Nations of a commission which will effectively seal the Greek border against assistance to the guerrillas from Greece's northern

neighbors. If order can be restored there is every reason to be optimistic about the recovery of Greece -- even more optimistic than one can be about the recovery of the more industrialized countries of Europe. If order is not restored there can be no recovery.

I would at this point like to express my conviction on two vital points which are not clear to all Americans. The first is that Greece is a real democracy - as we understand democracy. The word democracy originated in Greece. There has been much talk about domination of Greece by a few wealthy people in Athens. In my opinion this has been grossly exaggerated. There is individual wealth in Greece, as there must be in any free enterprise incentive system. There have been selfish individuals and groups which have taken advantage of Greek democracy to further their own interests. But basically the Greek people are as democratic as any people on earth. All of the basic freedoms are jealously guarded. There are two communist papers in Athens that attack the government and the American Aid Mission daily. I am proud to say they attacked me. The last Greek election was, in the opinion of the allied observers, a fair election. The Greek government is highly responsive, sometimes too responsive, to the desires of its people.



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Secondly, I believe that Greeks are unalterably opposed to communism and will combat it with all means at their disposal. Greece has essentially an agricultural economy, and the Greek farmer, like all farmers, is devoted to the principle of private property. In talking with refugees who have been driven from their homes by the guerrillas I found many who had been subjected to communist propaganda - but none who believed any of the grandiose promises the communists made. In one village of 800 there had been only one communist adherent - in another of 450 there were 25. In recent labor union elections the moderate "reformists" won 452 members while the communists won 49.

It is equally true, however, that without our assistance Greece cannot withstand continued aggression by her more powerful communist neighbors to the north. In Macedonia only 60 miles of Greek territory separates Bulgaria from an outlet to the Mediterranean. If Greece's northern neighbors continue their support of the Greek guerrilla forces, the need for foreign aid will continue beyond June 30, 1948, no matter what achievements are made by the American Aid Mission and the Greek people toward recovery.

Greece is, of course, one of the sixteen European countries involved in the so-called Marshall Plan. Any decision on that plan

or a continuation of the Greek Aid Program is one for the people and the Congress of the United States. Only they can decide the extent and nature of any further aid to be furnished to Greece. The policy of this country to support Greek integrity and independence, consistent with our obligations under the United Nations Charter, will not, however, terminate with the present Aid Program on June 30, 1948, but will continue as long as Greece remains a democratic country desirous of resisting communist aggression.

